GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

STARRED QUESTION NO:58
ANSWERED ON:01.03.2007
SETTING IIP OF OIL REFINERIES
Mahtab Shri Bhartruhari;Shiwankar Shri Maha Deo Rao

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government proposes to set up new refineries and to increase the existing refining capacity of the refineries in the near future;

(b) if so, the details thereof, company-wise;

(c) whether the Government has fixed any target for setting up of new refineries during the Eleventh Five Year Plan:

(d) if so, the details thereof;

(e) whether any assessment has been made in regard to the likely effect on prices of petroleum products in domestic market due to the setting up of new refineries; and

(f) if so, the details thereof?

Answer

MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MURLI DEORA)

(a) to (i): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF THE LOK SABHA STARRED QUESTION NO.58 BY SHRI BHARTRUHARI MAHTAB AND PROF.MAHADEORAO SHIWANKAR TO BE ANSWERED ON 1ST MARCH, 2007 REGARDING SETTING UP OF OIL REFINERIES

(a) to(d): The refinery sector was delicensed in June, 1998, Since then a refinery can be set up anywhere in India by private or public sector enterprises depending on the promoters assessment of its viability. It is not the Central Government but public and private sector enterprises who consider proposals for setting up refineries,Companies in both public and private sector, including Indian Oil Corporation Limited, Hindustan Petroleum Corporation Limited, Bharat Petroleum Corporation Limited, Mangalore Refinery and Petrochemicals Limited, Chennai Petroleum Corporation Limited, Oil and Natural Gas Corporation Limited, Reliance Industries Limited, Essar Oil Limited and Nagarjuna Oil Corporation Limited have proposed to set up new refmeries/increase the capacity of existing refineries. The details of the location, capacity/ increase in capacity are given in the Annex,

(e) and (f): New refining capacity is likely to have a favourable impact on prices as supply of petroleum products will increase. In addition, new capacity will boost export earnings from export of petroleum products through retention of value addition, and will farther enhance energy security of the country.